

2015

Finance Department Business Plan



City of Sugar Land

FINANCE DEPARTMENT BUSINESS PLAN

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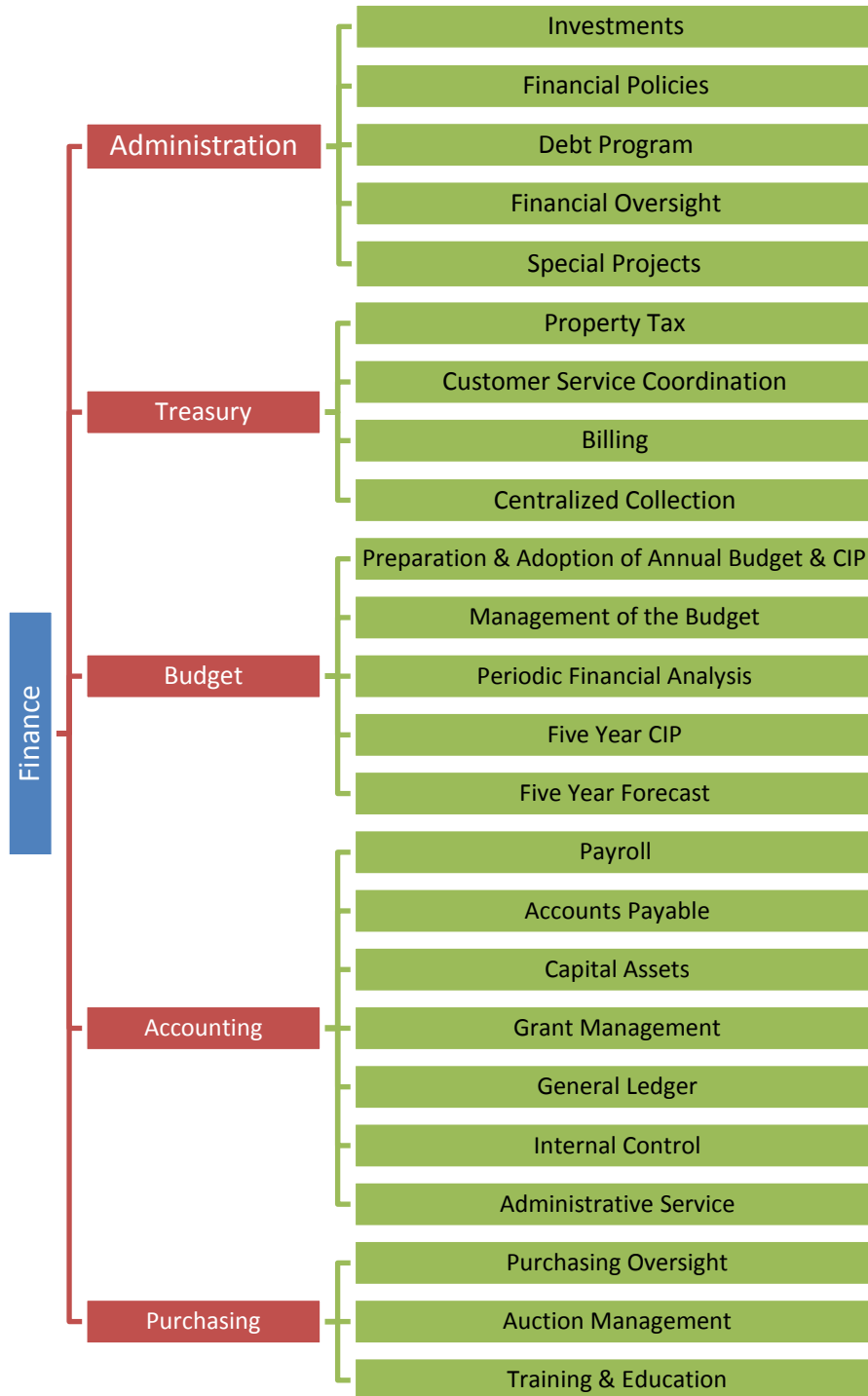
FINANCE DEPARTMENT 2015 BUSINESS PLAN

MISSION STATEMENT

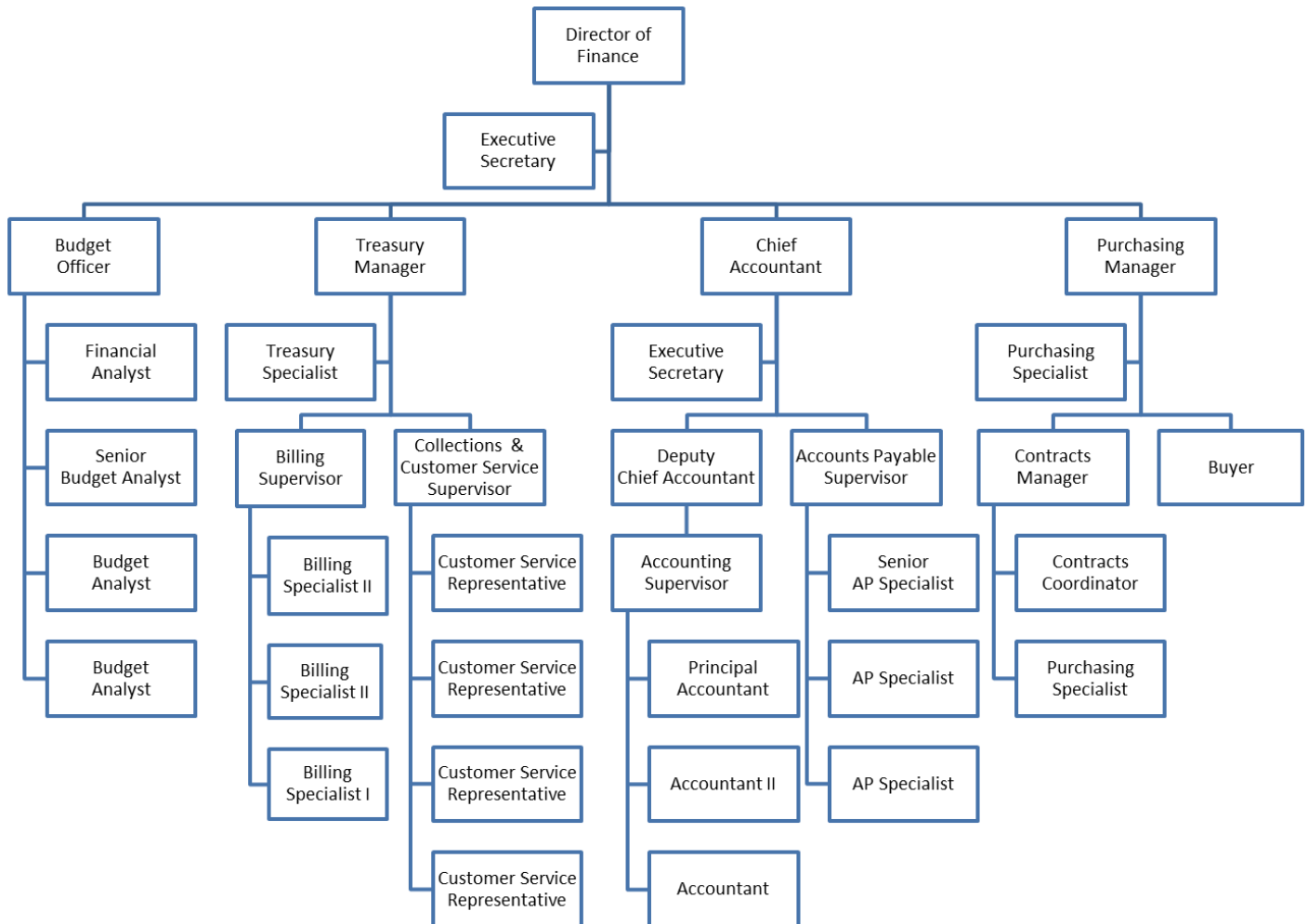
The mission of the Finance Department is to ensure the integrity of the City's finances through accurate planning and recording of transactions. The department facilitates optimal use of resources to meet the goals of the organization through long range planning & management. The department serves its customers by performing tasks in a timely, consistent, and accurate manner.

ORGANIZATION & STRUCTURE

FUNCTIONAL ORGANIZATION CHART



STRUCTURAL ORGANIZATION CHART



FINANCE

ADMINISTRATION

SUMMARY

Finance Administration provides leadership to the four areas of Finance: Budget, Accounting, Purchasing and Treasury. Develop policy level guidance to provide direction to managers to oversee the operations of their area. Serve as a liaison to City Management and City Council and make recommendations on financial policies and direction. Establish procedures to ensure consistent and accurate application of policies in the organization. Oversee the City's investment program, debt program and long term financial planning. Assist with administration of economic development corporations, tax increment reinvestment zones, and public-private partnerships to ensure that applicable statutes are followed.

SERVICES AND SERVICE LEVELS

Service: Investments

The Director of Finance, Chief Accountant, and Financial Analyst are the investment officers for the City which monitor the City investments. The investment officers are required to take 10 hours of training every two years. The officers are responsible for investing the City's funds in accordance with the investment policy guidelines. (Investment Policy and Investment Strategy)

Each time an investment is made, matures, or interest is received a journal entry is prepared and entered into the general ledger. At the end of each month, the City investment reports are prepared for the financial statements. The financials are reviewed by Management. The Sugar Land 4A Corporation and Sugar Land 4B Corporation investment reports are prepared quarterly. The investment reports are reviewed and signed by the three investment officers. Every two years, the City will send out request for qualifications to obtain new broker/dealers. In accordance with the City Council Investment Policy (Resolution No. 14-11/Policy 5000-18), the city has six broker/dealers that they contract with to invest the City's funds. The Investment Policy, Strategy and Broker/Dealer list are required to be reviewed and approved annually by City Council.

Investment purchases are initiated by the Chief Accountant and reviewed by the Director of Finance. The monthly investment reports are prepared by the Financial Analyst and reviewed for accuracy and approved by the Chief Accountant and Director of Finance before they are released for inclusion in the monthly financial packet and forwarded to the City's arbitrage consultant for arbitrage calculation.

Service: Financial Policies

Financial Management Policy Statements: The policy statements are reviewed every two years and adopted by City Council Resolution. FMPS provide the principles that are guidelines in the management of the City's financial functions. The statements are meant to provide guidance in the management of the City's finances and be specific to Sugar Land, and address items such as sales tax dependence, guidelines for debt issuance, financial forecasting, establish fund balance minimums for various funds, relationships between various funds, define guidelines for budgeting beyond the requirements of the City's Charter and State Law. The policy statements are to be updated as needed and reviewed with City Council, to ensure that the policies reflect the direction given by the City Council. In situations/discussions where the FMPS apply, they are referenced and any exceptions to the direction are to be noted in discussion with City Council.

Service: Debt Program

Manage the City's Debt Issuance Process: Based on the adopted Capital Improvement Program and cash flow needs for projects, coordinate the City's debt issuance with the assistance of the engineering department, outside legal counsel and financial advisors. Work with legal counsel and financial advisors to prepare Resolutions for the City's Intent to Reimburse from Bond Proceeds and Notice of Intent to Issue Certificates of Obligation within timelines required by state law. Issuance of CO debt is about a 12 week process before the debt hits the market, with an additional 30 days before the funds are in the City's account. The schedule can be compressed somewhat if needed but if the debt is Certificates of Obligation there are public notice requirements and timelines that must be adhered to.

GO Bond Election: General Obligation Bonds require approval of a bond proposition by voters, which is approximately an 18-24 month process. During that process, work with team and citizen bond committees (if applicable) to develop a project list and total cost to be included on the referendum. Budget also acts as a liaison with the Bond Council and City Management in the development of the referendum language.

Bond Ratings: Manage the City's finances to ensure that bond ratings are maintained or upgraded from their current levels. Provide information for rating agencies to evaluate the City's bond ratings. Approximately every 3-4 years the rating agencies come to Sugar Land for a site visit and in-person presentations. Coordinate ratings visits and presentations to ensure an optimal experience by analysts.

Refunding Issues: Monitor market conditions along with the City's Financial Advisor and recommend issuance of refunding bonds when conditions produce savings within guidelines set by the FMPS. Once the conditions look favorable, work with FA and Bond Counsel to issue bonds either in a competitive sale for current refunding combined with new money, or a negotiated sale when the refunding is advanced and needs to be structured a certain way to meet IRS Requirements. Advise Finance Committee and City Council when conditions are favorable for refunding issues.

Service: Financial Oversight

Activity: Independent Review of Department/Office Needs

As departments identify issues or needs for future funding consideration, analysts work with the departments to ensure that various aspects of the issue are evaluated including input from other departments such as internal service departments, early discussion with Executive Team and City Manager. Ideally, requests are identified in the annual update of the department's business plan, worked through during the year and meetings held with city management in time for an item to be evaluated for potential submission during the budget process.

The depth of the assessment will vary according the scope of the request. Assessments will incorporate any and all resources available to the Budget Office including department business plans and performance measurements, impact on the city's budget, benchmarks and comparisons, and cost benefit analysis. The goal of this review is to provide work that is accurate, reliable, valid, and professional quality from which decisions can be made.

Service: Special Projects

Special Projects: Coordinates special projects as assigned by management. Analysts conduct research, provide data, make recommendations, and create solutions in accordance with special project goals. Finance receives a variety of special projects under the direction of the City Manager and Executive Team. Special projects include:

- TIRZ creation
- Public-Private Partnerships
- Development Agreements
- Incentive Agreements
- Annexation Analysis & Planning
- Dissolution of in-City MUDs
- Entertainment District projects
- Projects with restricted expenditures (i.e. 4A/4B, Hot funds, etc.)

SERVICE LEVELS

Service Level Measures-Administration

Program: Budget Office	
Financial Policies	Financial Management Policy Statements Reviewed and Updated every 2 years
Debt Program	Maintain or Upgrade GO Bond Ratings: S&P: AAA, Fitch: AAA
Debt Program	Maintain or Upgrade Revenue Bond Ratings: S&P: AA+, Fitch: AA+
Special Projects	Strategic Projects on Schedule
Investments	Invest the City's Funds in Accordance with the investment policy guidelines

Service Level Measures-Administration

Program: Budget Office		Expected Result	
Financial Policies	Financial Management Policy Statements Reviewed and Updated every 2 years	n/a	yes
Debt Program	Maintain or Upgrade GO Bond Ratings: S&P: AAA, Fitch: AAA	100%	100%
Debt Program	Maintain or Upgrade Revenue Bond Ratings: S&P: AA+, Fitch: AA+	100%	100%
Special Projects	Strategic Projects on Schedule	100%	100%
Investments	Invest the City's Funds in Accordance with the investment policy guidelines	100%	100%

BUDGET

SUMMARY

The objective of the Budget Office is to ensure the stability of the City's financial health in both the short and long term. The services and activities that take place fall under the mid-term goal or priority of Responsible City Government.

The Budget Office is responsible for preparing the annual operating budget, the five-year Capital Improvement Plan, and the Five-Year Financial Forecast. The Office is responsible for producing financial analysis for management and City Council so decision makers have a full understanding of the financial consequences of decisions. We manage the business plan process and provide assistance to departments in preparing their business plans as needed. We also provides support to City offices and departments in the management of the budget by verifying appropriations for contracts and bid documents, processing budget transfers and carryover requests, and assisting with end of year projections.

SERVICES AND SERVICE LEVELS

Service: Preparation of Annual Budget & CIP

Preparation & Adoption of Budget and CIP: Per requirements of the City Charter and Financial Management Policy Statements, prepare and submit an annual operating budget for the City not later than the third Council meeting in July. Adoption of the budget occurs by one reading of an ordinance not later than September 25th.

Manage & Lead the Budget Process: Establish and submit a plan & calendar for budget preparation to the City Manager in January, ensuring the budget process is aligned with the business plan process, accomplishes the objectives identified by the City Manager and complies with charter requirements and FMPS guidelines for budget submission. Communicate the calendar to Directors as early as possible in the process. Engage with Directors to understand current issues and identify their needs during the year.

Review and Critique budget requests for consistency between departments and recommend funding levels for department requests as an extension of the City Manager's office. Ensure departments and offices have an appropriate level of detail in their requests to meet city management expectations; provide a recommendation to city management if information provided is not consistent with requested changes.

Coordinate with other Directors managing processes involved in budget preparation: Engineering for the CIP, HR on staffing, IT on technology, Fleet on vehicles and Facilities on space needs.

Manage Year End Projections: Complete year-end revenue projections and review with the City Manager by the end of February. Provide a clear picture of where the City anticipates ending the fiscal year as compared to budget so that directions can be given to Directors in preparing their year-end projections. Preliminary expenditure projections are prepared in early March and completed by departments no later than the end of April. Budget prepares salary & benefit projections for all departments and reviews O&M projections. Any savings identified can be utilized per the Financial Management Policy Statements to fund items in the following budget year.

Manage the Preparation of the Cost Allocation Plan: As part of the annual budget preparation, work with the selected financial consultant to complete and receive a draft of the Cost Allocation Plan (CAP), including a full cost plan and an OMB A-87 compliant plan (which is used only for the Airport), in February of each year. The Final CAP is completed and accepted by City Management in March. Coordinate departmental interviews, gather requested information, review the draft plan and ensure Directors have had an opportunity to review the draft plan prior to submission to city management. The CAP evaluates the services provided by internal service and other administrative departments to operating departments based on workload and services provided. The CAP allocates overhead costs to the various departments and offices and is the basis for the inter-fund transfers in the following year's budget.

Prepare Salary & Benefits Cost Estimates: Prepare the next year's salary & benefit cost estimates for all authorized positions by March 1 of each year, ensuring accuracy of incumbent data and account coding. Work with Human Resources to estimate benefit costs and minimize budgetary impact while providing appropriate health and dental coverage options to employees.

Prepare Revenue Assumptions & Estimates: Maintain a Revenue Manual that identifies the various revenue sources of the City, by what authority they are derived, and how they are estimated.

Develop revenue assumptions for all funds with assistance from operating departments on trend analysis and review with the City Manager by March 1st. Prepare revenue estimates based on accepted assumptions, recommend adjustments to user fees consistent with policy direction and build into revenue estimates. Evaluate property tax roll growth and options for recommending a tax rate in the proposed budget in compliance with truth in taxation laws. Distribute revenue assumptions to Directors in early April to guide preparation of their budget requests for the following year. Prepare changes to the rate and fee ordinance upon passage of the annual operating budget by City Council.

Maintain the Utility Rate Model: Gather information from Utility and Treasury staff by February of each year in order to prepare the Utility rate model and analyze the impact that the proposed CIP and budget requests will have on the Utility rate structure. Evaluate rate structure and make a recommendation on rate adjustments as part of the budget process. Monitor the impact to residential bills and how the City's utility bill compares with peer cities.

Service: Management of the Budget

Provide Budgetary Support to Offices & Departments: Provide support to city offices and departments in the management of the budget. Support includes approval of contracts and bid documents, budget transfers, carryovers, and end of year projections.

Capital Projects Management: Work with Engineering throughout the year to manage Capital Projects to identify available funding and close out projects as they are completed. Evaluate mid-year funding needs and determine if funds are available to recommend mid-year CIP projects from savings.

Review Requests for Budgetary Compliance: Agenda Requests from other departments that involve an expenditure or future obligation of City funds require clearance from Budget. Review and provide clearance for all agenda requests that involve expenditure or obligation of City funds (current or future). City Council and 4A/4B Corporation agenda requests are checked for availability of budgeted funds and accuracy of funding sources. If a budget amendment is requested, verify the need and make a recommendation to the City Manager regarding the amendment or alternative funding sources.

Budget Adjustments, Amendments & Line Item Transfers: Facilitate the management of the budget for the current fiscal year by performing mid-year adjustments through budget transfers. Operational authority is delegated to departments through inter-departmental policy AD113, which delegates Operational Authority Limits for various personnel, purchasing and budgetary actions to positions under the City Manager. Transactions reviewed by Budget are subject to the Operational Authority Limits including contracts, budget transfers and council agenda requests. Throughout the year, City offices and departments can transfer funds from one line item to another, with proper approvals. ***Budget Adjustments*** are requests to move funds between departments or programs, and must be approved by the City Manager. ***Budget Amendments*** are requests to change the total appropriation by fund and must be approved by the City Council. Salary savings are calculated based on vacant budgeted positions as reported by Human Resources and the savings are transferred out of office and departmental accounts on a monthly basis.

Carryovers/ Budget Amendment: Solicit requests for carryovers from offices and departments, review and recommend items that meet the carryover criteria to the City Manager by November 30th of each year. Prepare a budget ordinance amending the budget for City Council approval in December. Upon approval by City Council, the funds are placed in each department or office line items within 48 hours.

Analysis of Departmental Needs: In preparation of any requests, whether related to Personnel, Operations, or Capital, the department will perform a review taking into account business plans, cost benefit analysis, and the goals of the city. The department will offer an objective recommendation to the City Manager and the department or office.

Service: Periodic Financial Analysis

Monthly Financial Reports: Prepare an analysis of each major operating fund in the City and explain key economic and fiscal developments and note significant deviations from the budget and previous year's

actuals. The monthly financial report is reviewed with the City Manager and delivered to City Council no later than the last day of the following month.

Each month, sales tax revenues are analyzed from the state Comptroller's report with a summary of significant trends. Income statements are received from Accounting by the 15th of the month, and a summary is prepared for major operating funds highlighting significant activity (Utility revenues, building permits, etc.).

A more detailed report is prepared on a quarterly basis, with income statements summarized and reported for all funds, economic indicators are analyzed (unemployment, CPI, foreclosures, etc.), and detailed year to date sales tax analysis by sector. Financial analysis is provided to Economic Development for inclusion in the Corporation Quarterly Reports.

Service: Five-Year Capital Improvement Program

Prepare a Fiscally Constrained Five Year CIP: Coordinate with the Engineering Department, to manage the CIP process and prepare a fiscally constrained five year CIP. Assess the financial impact of all recommended projects and identify available funding sources. Work with Engineering to adjust project timing within available resources and prepare the Five-Year CIP Document. Submit the proposed Five Year CIP with the proposed annual budget to City Council no later than 60 days prior to fiscal year end.

Manage & Lead CIP Process: Work with Engineering to prepare a CIP calendar for the City Manager in January that coordinates with the annual budget process and business plans, and provides information needed to conduct the mid-year retreat with City Council in March.

MUD Bonds: Review proposed bond issues and prepare agenda requests for approval by City Council for any MUDs in the City or ETJ that intend to sell bonds to develop water utilities, drainage, etc. The sale of bonds must satisfy certain criteria in accordance with the Code of Ordinances. The agenda request timing is dependent on when the MUDs decide to issue bonds. Agenda request submission must meet deadlines set by the City Secretary's office.

Service: Five Year Financial Forecast

Prepare a Five Year Forecast for Major Funds: Prepare a five year financial forecast for all major funds and include in the proposed budget document. Use the FMPS as guidelines in developing assumptions for revenue and expenditure estimates. Utilize information from the forecast to communicate the long term impact of budgetary decisions to the City Council. The forecast provides a foundation from which to establish debt capacity, determine project funding, and assess fiscal health. The forecast is utilized to identify concerns before they become actual budgetary issues.

Forecast Assumptions: Develop market based assumptions to create a Five-Year Financial Forecast for Enterprise Funds (Utilities, Airport, Surface Water), the General Fund, the Debt Service Fund, Special Revenue funds (SLDC, SL4B, Tourism), and the Capital Improvement Program. Utilize data from sources including the central appraisal district, the state comptroller, and city departments (Utilities, Economic

Development, Airport, and Treasury) to build revenue estimates. Expenditure growth includes salary & benefits growth, O&M impact of completed capital projects, annexation service needs, full-year impact of personnel additions, estimated property tax rebates, debt service requirements and sales tax incentive agreements.

SERVICE LEVELS

Service Level Expectations-Budget Office

Program: Budget Office	
Service	Service Level Measure
Preparation & Adoption of Annual Budget & CIP	Annual Budget Process consistent with calendar and direction approved by City Manager in January
Management of the Budget	Budget Adjustments & Amendments within Authority Limits
Management of the Budget	Contracts and Purchases consistent with budgetary allocations
Periodic Financial Analysis	Financial Reports delivered to Council by end of following Month
Financial Policies	Financial Management Policy Statements Reviewed and Updated every 2 years
Five-Year Capital Improvement Program	Five Year CIP process managed within calendar & Charter requirements
Five Year Financial Forecast	Prepare Five Year Financial Forecast within FMPS guidelines and calendar
Debt Program	Maintain or Upgrade GO Bond Ratings: S&P: AAA, Fitch: AAA
Debt Program	Maintain or Upgrade Revenue Bond Ratings: S&P: AA+, Fitch: AA+
Independent Review of Department Needs	Review of Grant and Funding Requests completed within 14 days
Special Projects	Strategic Projects on Schedule

Service Level Measures-Budget Office

Program: Budget Office		Expected Result	
Service	Service Level Measure	FY13	FY14
Preparation & Adoption of Annual Budget & CIP	Annual Budget Process consistent with calendar and direction approved by City Manager in January	100%	100%
Management of the Budget	Budget Adjustments & Amendments within Authority Limits	100%	100%
Management of the Budget	Contracts and Purchases consistent with budgetary allocations	100%	100%
Periodic Financial Analysis	Financial Reports delivered to Council by end of following Month	100%	100%
Financial Policies	Financial Management Policy Statements Reviewed and Updated every 2 years	n/a	yes
Five-Year Capital Improvement Program	Five Year CIP process managed within calendar & Charter requirements	100%	100%
Five Year Financial Forecast	Prepare Five Year Financial Forecast within FMPS guidelines and calendar	100%	100%
Debt Program	Maintain or Upgrade GO Bond Ratings: S&P: AAA, Fitch: AAA	100%	100%
Debt Program	Maintain or Upgrade Revenue Bond Ratings: S&P: AA+, Fitch: AA+	100%	100%
Independent Review of Department Needs	Review of Grant and Funding Requests completed within 14 days	100%	100%
Special Projects	Strategic Projects on Schedule	100%	100%

TREASURY

PROGRAM SUMMARY

Treasury is the central office through which all banking, treasury management and related financial auxiliary services are provided to City departments and divisions with the exception of Municipal Court. Funds are held in approved depositories and invested in accordance with the City's Investment Policy and Investment Strategy.

Treasury is also responsible for billing and revenue collection services to both City utility customers and other City departments in order to provide excellent service to our citizens and accurately record and receipt revenues for the City.

The program operates to meet the City's mid-term priorities of Responsible City Government through Consistent Financial Policies; A Leader in Customer Service-Superior Service and Easy Access to City Government: Information and Services.

SERVICES AND SERVICE LEVELS

Service: Property Tax

Treasury coordinates with the Fort Bend County Tax Office for the billing and collection of the City's property tax. Treasury enters property tax payment information provided by Fort Bend County on a weekly basis into the general ledger. The County wires the money into the City's bank disbursement account and provides Treasury a summary of payments collected for each tax year. Also, the contract is monitored on a monthly basis to monitor the collection percentage.

The Treasury Manager manages the property tax transactions from the Fort Bend Central Appraisal District and manages the tax rate adoption process including the truth in taxation process. Treasury works with the Budget Office to ensure the tax information is accurate in the proposed and adopted budgets. The Treasury Manager serves as the Tax Assessor/Collector for the City and prepares the effective tax rate calculations and the required news articles to be published in the newspaper. Also, any public hearings or meetings set forth in the truth-in-taxation process are presented to City Council.

Service: Customer Service Coordination

Treasury staff responds to all walk in customers and telephone calls related to utility billing and payment inquiries, payment plans for delinquent utility bills prior to service being disconnected for non-payment, request for new services or to final services, disputes or information, hanger rental inquiries, solid waste inquiries and miscellaneous calls.

Customer correspondence is handled via face-to-face, telephone, mail or by e-mail. Established procedures and code information enable the logging of all utility telephone calls through Customer Information System with the use of existing software for identifying types of calls handled by Treasury.

Customer telephone calls that require research, issuance of work orders to re-read meters or check for leaks are entered into and tracked through the Customer Information System work orders.

The Voice Response Unit (VRU) allows customers to have easy telephone access to account information 24 hours a day. The system directs customers to a menu of options including account information, payment history, billing amounts and history, and after-hour emergencies. The VRU also provides faxed copies of account information and history, and forms to initiate and cancel water service. Also, utility customers are able to pay their account by MasterCard, American Express or Visa credit cards using the telephone voice response system 24 hours a day 7 days a week.

Payments can be made in person, by phone using the automated phone system, on-line, at the drop box locations and electronic fund transfer for utility payments.

The Click2Gov Internet website allows customer 24 hours a day 7 days a week access to their utility account number. The system directs customers to a menu of options including account information, payment history, billing amounts and history, consumption history and the option to pay by MasterCard, American Express or Visa credit cards.

Service: Billing

Treasury bills for utilities, alarms, airport rentals, and other miscellaneous receivables for all city departments in an efficient and timely manner.

Activity: Miscellaneous Receivable Billings

Treasury provides billing and collection of miscellaneous fees to properly account for and record revenue to the general ledger monthly. Miscellaneous fees include streetlights and drainage fees, transportation fees, connection fees, and renewal of food/health permits, cobra and retirees insurance, Little League ball field lighting electricity reimbursement, hazardous materials response calls, and numerous others.

Treasury staff bills and collects the revenue for hangar rentals, office space, and other related airport services per lease contracts for approximately 110 accounts. Aviation leases are billed on a monthly basis for hangar rentals and land leases. Established procedures provide guidelines for work information flow between Airport and Treasury staff for billing and collection practices, and Fort Bend Central Appraisal record processes for tax roll purposes. Each January the Fort Bend Central Appraisal District is provided a current copy of the airplanes located at the airport as of January 1. The list helps determine which airplanes need to receive a property tax statement.

In conjunction with the Police/Dispatch, Treasury staff bills residents for alarm response fees each month. Residents and commercial establishments exceeding five (5) alarm responses in a calendar year are billed \$50 for each alarm response thereafter. Upon receiving a report from the police department, the billings are generated through accounts receivable software.

Activity: Utility Bills

Treasury bills for eighteen billing cycles each month. The cycles include approximately 28,000 utility accounts for water, wastewater, surface water and solid waste services.

All utility bills are due 20 days from the mail date. The City's 20-day grace period is within the average that most utility companies use. Utility customers are offered the option of receiving an e-bill through the internet rather than a mailed paper bill. If payment is not received by the due date as noted on the bill, a 10% late fee with a maximum \$100 is assessed and a reminder notice is mailed approximately on the 23rd day. The intent of the reminder notices is to advise customers who have not received or have lost their bills that their account is past due; to notify customers who have mailed payments that their payment has not been received; to allow customers who are having financial difficulty the opportunity to seek utility assistance; and to provide the required legal notice that service will be terminated if payment is not received. Customers not responding to the reminder notice have their water service disconnected for non-payment 30 days from the bill date. The Customer is notified that water service has been disconnected and the water meter turned off.

If payment is still not received, service is scheduled for termination by the Customer Service Technician. The list of cut-off customers is sent to Utilities for after-hours reconnects.

During the system billing of utility bills, exception reports are reviewed to ensure accurate bills are generated.

Service: Centralized Collections

The Treasury staff provides centralized collection of city funds for utility and other billings, as well as cash receipts from other operating departments and receipts from outside, including property tax payments received from the Fort Bend County Tax Office. The operating departments include the Regional Airport, Animal Services, Building Permits, City Secretary's Office, Fire Department, Police Department, and Public Works. Municipal Court and Parks and Recreation interfaces directly to the general ledger and they also prepare their money to be submitted via the armor car service. All reports and money from other departments are turned in to Treasury daily by 1:00 p.m. Treasury only enters the information into the AS400 to post to the general ledger on a daily basis. Receipts are posted into HTE's Cash Receipting system which is interfaced with HTE's financial reporting system. The daily reports are reviewed for proper recording and reconciliation to the general ledger. Treasury prepares the bank deposit and submits daily to the bank via armor car service.

Activity: Monitoring Aging of Receivables

Treasury provides centralized collection of daily funds for utility and other billings, as well as daily receipts accurately and timely. Treasury monitors the aging of miscellaneous receivables, mails delinquent notices, and takes appropriate action as required to collect the revenues.

The City has executed a contract with McMeary, Veselka, Bragg, & Allen Attorneys at Law Collection (MVBA) to assist in collecting delinquent accounts receivable. The delinquent accounts receivable includes but is not limited to delinquent utility bills, alarms calls, airport hangar rental accounts, health permits and CIP billings.

MVBA is the same firm that Municipal Court is currently using for their outstanding balances.

Treasury will coordinate with MVBA- Collection agency on any accounts receivable that are 60 days due on collecting the balance. Treasury will notify all customers before the account will be turned over to the collection agency. The City will pay MVBA a contracted percentage of the amount of the delinquent accounts receivable collected through the collection agency process.

All alarms accounts are monitored for payments, as non-payment of alarm fees required a collection process that includes collection letters.

Activity: Utility Payments

Billings, reminder notices, courtesy tags, and cut-off tags are all part of an effective billing system designed to meet legal requirements, while at the same time minimize the number of delinquent accounts.

The City offers numerous payment methods to assist customers in making payments on a timely basis. Staff processes payments received from customers paying by mail, in person, and deposited at the six payment depositories located throughout the city. The Automatic Payment Plan (automatic bank draft) is also available to customers. Upon customer request, staff enrolls customers in Automatic Payment following receipt of bank information, and processes bank draft. Payments are drafted the Friday before the due date indicated on the customer's water bill. Customers are also offered the option of paying their water bill via the internet or phone using MasterCard, American Express or Visa credit cards. These credit card payments are processed and posted daily.

Activity: EMS Payments

The City contracts with Emergency Medical Services Billing Co. (EMS|MC) for billing Emergency Medical Services transports. Customer payments are made to EMS|MC and the funds are deposited into a city account. Treasury receives reports of the payments, verifies the deposit and posts the payments through cash receipts to the general ledger. EMS|MC provides monthly reports to the City of billing & collection efforts.

After 3 attempts to collect and 180 days of no activity, the accounts are turned over to MVBA for delinquent collection efforts.

SERVICE LEVEL EXPECTATIONS-TREASURY

Program: TREASURY	
Service (Activity)	Service Level Expectation
Property Tax	Coordinate with the Fort Bend County for billing and collection of the City's property tax. Assure that the billing and payments generated by the County are correct. Also, monitor the percentage of collections to make sure it meets the standards of the City.
Customer Service Coordination	Answer the phone promptly and acknowledge customers promptly when entering Treasury. Offer assistance to customers by offering payment arrangements for the different payments.
Billing	Treasury bills for utilities, alarms, airport rentals, and other misc. receivables for all city departments in an efficient and timely manner.
<i>Miscellaneous Receivable Billings</i>	Bill for any other miscellaneous receivables for the City that other departments might need to collect for.
<i>Utility Bills</i>	All bills reflect appropriate charges based on currently established rates.
Centralized Collections	Provide centralized collection of city funds for utility and other billings as well as cash receipts from other operating departments and receipts from outside including property tax payments received from the Fort Bend County Tax Office. The operating departments include the Regional Airport, Animal Services, Building Permits, City Secretary's Office, Fire Department, Police Department, and Public Works.
<i>Monitor Aging of Miscellaneous Receivables</i>	Treasury to coordinate with the collection agency on any accounts receivables that are past 60 days due on collecting the balance. Treasury will notify the customers by sending out two letters notifying them of the delinquency and to set up a payment arrangement if needed.
<i>Utility Payments</i>	Offer various payment options. Send out two notices to customers before turning over to the collection agency.

ACCOUNTING

PROGRAM SUMMARY

Accounting is staffed with 11 full time equivalent positions. The normal working hours are Monday through Thursday 7:30 a.m. to 5:30 p.m. and Friday 8:00 a.m. to 5:00 p.m.

Accounting is responsible for providing financial information to management, investors and the public as part of the City's efforts to be transparent. To achieve accurate financial reporting we must identify all financial transactions and record them in a timely manner. Accurate and timely financial reporting is a result of efficient and effective processes which includes reasonable internal controls. Accounting is responsible for monitoring these processes and ensuring compliance with accounting standards, laws and policies. This contributes towards achieving the City's strategic goal of being a financially sound City.

Accounting serves both external and internal customers. The services provided include Accounts Payable, Payroll, Capital Assets, Grant Management, General Ledger, Internal Control, and Administrative Service.

SERVICES AND SERVICE LEVELS

Service: Payroll

The City operates on a bi-weekly payroll schedule. Paychecks are issued twenty (26) times a calendar year.

The Payroll staff works closely with the Human Resources Department to accurately process internal payroll status change forms for new hires, merit increases, terminations and reclassifications. They also handle requests for benefit & deduction changes for the health insurance, employees' banking information for direct deposit and 457 plans. All external garnishment orders for child support, IRS levies, bankruptcy orders & student loans are processed accurately. Deducted funds are forwarded to the respective agencies in a timely manner.

Payroll processes bi-weekly payrolls and other compensations to City employees and officials and transmits the direct deposit file to the City's depository bank on Wednesday, the week of payroll. Payments are in compliance with Fair Labor Standards Act, Federal and State laws and City policy. In order to calculate accurate pay, Payroll staff must work closely with Payroll Liaisons in each department. Training is offered to all Liaisons on an as-needed basis. Training includes the use of various pay codes, completion of time sheets and data entry of hours, including understanding of split pay cycles for 9/80 schedules.

The Payroll staff is responsible to submit the Wage report with the Texas Municipal Retirement System by the 10th of every month for the previous month. The report includes gross wages, employee contributions and employer contributions for all full-time employees. They also file Unemployment Wage reports with the Texas Workforce Commission and Form 941 with the Internal Revenue Service by

the end of the month after the close of every quarter. They prepare and distribute W-2 forms in compliance with IRS regulations to all employees by January 31.

Service: Accounts Payable

Accounts Payable (AP) generates payments to vendors, other governments, employees and City customers. Financial obligations are accurately and timely paid and recorded in the City's official accounting system. Payments are in compliance with the City's policies and in accordance with the "prompt payment law" (Tex. Government Code, Chapter 2251) which establishes when payments are due. This law stipulates a payment is due for goods or services 30 days from the date goods/services are completed, or a correct invoice is received, whichever is the later of the two. Early payments are made to take advantage of discounts offered by vendors.

In order to process all valid obligations for the City, the AP staff is responsible for a variety of functions associated with the process of making non-payroll payments to vendors and employees. Accounts Payable functions include verifying, entering, and processing data from all vendor invoices and disbursement requests, which results in the issuance and distribution of payments. The staff is also responsible for maintaining a filing system associated with these functions in accordance with record retention guidelines.

To maintain an effective process, the check run is scheduled on Wednesday, with the exception of special requests. Additionally, the AP staff is encouraging vendors to enroll in the Electronic Fund Transfer (EFT) program to increase efficiency. Checks are reviewed by the Accounts Payable Supervisor and mailed on or before Friday. EFT payments are reviewed and approved prior to the creation of the electronic file. The file is transmitted to the City's depository bank on Wednesday and funds are made available to the vendors on Friday.

It is the responsibility of the AP supervisor to review and approve all payments to ensure accuracy and compliance with City policies and laws. The outstanding check register is monitored by the AP Supervisor to minimize the unclaimed checks. The supervisor also oversees the reconciliation of retainage and payable accounts and prepares the schedules needed for the annual audit.

To meet IRS reporting requirements, form 1099 are prepared and mailed on or before January 31.

Service: Capital Assets, CIP & Stock Inventory

Tangible items are capitalized only if they have an estimated useful life of at least one year following the date of acquisition or significantly extend the useful life of the existing asset and cannot be consumed, unduly altered, or materially reduced in value immediately by use and has a cost of not less than \$5,000 for any individual item.

To maintain adequate control over non-capitalized tangible items, items costing \$1,000 to \$4,999 are monitored and tracked through the City's financial software system.

Capital Assets service objective is to safeguard the City's assets by maintaining a current and accurate City asset database. This is achieved by monitoring transactions and working with the operating departments to identify assets that need to be added or removed from the fixed asset database. This also requires performing an annual physical count of selected asset categories.

This service also monitors the City's CIP projects to ensure that all infrastructures is properly accounted for and the appropriate funding source is utilized. The staff meets with the City Engineer on a quarterly basis to review assets contributed by Developers and to discuss the projects that are substantially completed.

For stock inventory, the staff works with Fleet, Purchasing and Accounts Payable to ensure all receipts and issues are accounted for. Furthermore, the staff reconciles the actual quantity on hand with the inventory system and the general ledger of all inventory items annually, except for fuel inventory, which is completed on a quarterly basis.

Service: Grant Management

Grant Management meets with the department that requests and receives a specific grant to clarify the role and responsibilities of each staff member. The staff assists operating departments with financial reporting and reimbursement requests. It also prepares required schedules for the Single Audit and participates in Federal/State audit to answer finance-related questions.

Service: General Ledger (GL)

The General Ledger is the accounting service that ensures all financial transactions are identified, properly valued and accurately and timely recorded in conformity with generally accepted accounting principles. Monthly financial reports are prepared on the modified accrual basis and the annual financial reports (CAFR) on the full accrual basis. The service level objective is to produce monthly financial reports for management's review in compliance with the City's Financial Management Policy Statements and to annually receive an unmodified independent audit opinion.

Service: Internal Control

Every employee within the City has a role in internal controls. The directors have oversight responsibility for internal controls within their departments. Managers and supervisors are responsible for developing and executing departmental and/or citywide policies and procedures. Accounting is responsible for reviewing the effectiveness of departmental policies and procedures to protect City resources against waste, fraud and inefficiency and for making recommendations where control improvements are needed. Activities performed include various monthly reconciliations, quarterly petty cash and change fund counts and annual and/or periodic physical inventories of stock and capital assets.

Internal controls also ensure all financial events are consistently processed accurately and are posted to the City's official financial system to provide reliable financial information on a timely basis.

Service: Administrative Service

The primary responsibility of this service is to ensure the accounting function performs effectively and efficiently.

Administrative service contracts with outside consultants for audit, banking, and bond arbitrage services. The Chief Accountant sends out the requests for proposals, forms a committee to review the proposals and awards the contract to the selected firm, per recommendation of the Committee.

This service updates the inter-departmental policies for the office of Accounting.

The Chief Accountant leads the City's financial audit. The audit has two phases. Interim audit is performed around mid-July or beginning of August, and the final audit is performed in the beginning of December. All the audit schedules are reviewed by the Chief Accountant for accuracy prior to submission to the auditors. The CAFR (Comprehensive Annual Financial Report) is also reviewed for accuracy. The findings of the audit are discussed with the City Manager and the City Council Finance/Audit Committee. This service is responsible to ensure that the CAFR is filed with the Council by the first City Council meeting in February.

The Chief Accountant serves as a resource to all departments on all financial-related matters.

SERVICE LEVEL EXPECTATIONS

Program: Accounting	
Service (Activity)	Service Level Expectation
Process bi-weekly payroll	Process accurate bi-weekly payroll in compliance with the City policies, FLSA and Federal & State regulations; Transmit the direct deposit file to the City's depository bank on Wednesday, the week of payroll, Ensure employees contributions to health savings account are forwarded to the bank and the bank credits their accounts; archive timesheets and other supporting documents per record retention requirements; file state and federal reports quarterly, Prepare and distribute W-2 in compliance with IRS regulations before January 31.
Accounts Payable	Prepare and disburse all payments within agreed terms with vendors or Chapter 2251 of Texas Local Government Code and in compliance with the City policies & State regulations; all disbursements will have proper approval and supporting documents; monitor & follow-up on outstanding checks; issue 1099 in compliance with IRS regulations;
Capital Asset	Safeguard the City's assets by maintaining a current and accurate database and conducting periodic inventory of selected group of assets; Meet with the City Engineer quarterly to discuss developer contributions and CIP projects that are substantially completed to ensure accuracy of infrastructure inventory.
Grant Management	Financial management of all Federal and State grants in compliance with grant agreement; Prepare schedules for Single audit; Serve as financial representative in all Federal/state audit.
General Ledger	Accurate & timely recordkeeping and reporting of financial transactions; Prepare monthly financial statements by 15 th .
Internal Control	Review procedures for a selected department. Receive an Unqualified audit opinion
Administrative services	Oversight of Accounting function and management of contractual agreements; Review and update Accounting policies; Serve as Investment Officer; Review and file CAFR with the City Council by first meeting in February.

SERVICE LEVEL MEASURES

Program: Accounting		Expected Result	
		FY14	FY15
Payroll:			
	Error free payments transmitted to the City's depository bank by 2:00 P.M. the week of payroll. (17,500 payments processed annually)	50	40
	Number of late or inaccurate State and/or Federal reports submissions; 941, TWC, W-2s	0	0
	Number of Timesheets and other supporting documents not retained per record retention law. (17,500 payments processed annually)	20	15
Accounts Payable:			
	Number of invoices processed/disbursed after due date (18,500 invoices processed annually)	350	262
	Number of void checks due to error (18,500 invoices processed annually)	350	262
	Number of B-notices received (250 1099 forms issued annually)	5	3
Capital Assets & Stock Inventory:			
	Number of new capital assets not tagged/added to FA database within 30 days from the date of receipt (500 assets added annually)	10	7
	Number of capital assets not disposed from the FA database within 30 days from the date of disposition (200 assets disposed annually)	4	2
	Number of developer assets not added to FA database from the date of receipt of acceptance letter (150 assets added annually).	3	2
	Stock inventory counted and reconciled annually.	100%	100%

Program: Accounting		Expected Result	
Grant Management:			
	Timely submission of reimbursement requests.	100%	100%
	Accurate filing of Single Audit report.	100%	100%
General Ledger:			
	Number of correcting journal entries posted.	100	75
	Preparation of internal financial reports by 15th EOB.	100%	100%
	CAFR will be completed and presented to Council by the first meeting in February.	100%	100%
Internal Control:			
	Review finance related departmental procedures.	1	2
	Payable, Receivable and bank accounts will be reconciled monthly before month end close.	100%	100%
Administrative Service:			
	Required contracts will be kept current; b) Bond arbitrage reporting will be kept current.	100%	100%
	Departmental policies and procedures will be kept current.	100%	100%

PURCHASING

PROGRAM SUMMARY

Purchasing is staffed by 5.00 full-time positions. Normal working hours are Monday through Friday from 7:30 a.m. to 5:30 p.m. to assist internal and external customers by phone. The program has no special vehicles, equipment or special resources.

Purchasing is an internal service program, and its primary function is to assist other departments with their procurement needs while meeting all applicable legal requirements.

The program operates to meet the City's mid-term priorities of Responsible City Government through Consistent Financial Policies; A Leader in Customer Service-Superior Service and Easy Access to City Government: Information and Services.

SERVICES AND SERVICE LEVELS

Service: Competitive Purchasing Oversight

Purchasing maintains the City's Purchasing Policies. Purchasing oversees the required competitive purchasing process used by departments. Purchasing ensures that departments procure within the limits imposed by law and in accordance with adopted policies and procedures. Approximately 90% of the City's purchases are performed in a de-centralized fashion with the balance of purchases being performed by purchasing staff.

Contract Management/Administration is centralized for the City and performs the functions of reviewing bid specifications, preparing bid documents, coordinating required advertising with the City Secretary's office, distributing bid documents to vendors, conducting any pre-bid conferences, and overseeing the selection process, including the bid tabulation preparation and scoring.

Purchasing also responds to vendors' inquiries about the City's purchasing and bidding policies and procedures.

Purchasing reviews and signs off on all agenda items that have an expenditure of funds. Additionally, the Purchasing Office is responsible for the centralized procurement of items such as vehicles and copiers.

Compliance Review: In an effort to ensure compliance with all procurement related policies procedures; purchasing reviews and approves agendas, contracts, p-card purchases and requisitions. The review is designed to ensure compliance, identify potential non-compliance and assist users with processing and purchasing improvements.

The compliance review assesses a department's ability to adhere to statutory and regulatory requirements. This includes adequate documentation that clearly demonstrates sound business

judgment was used in the purchasing process and that all of the applicable rules designed to protect the interest of the city are applied.

Activity: Contract/Bid Oversight

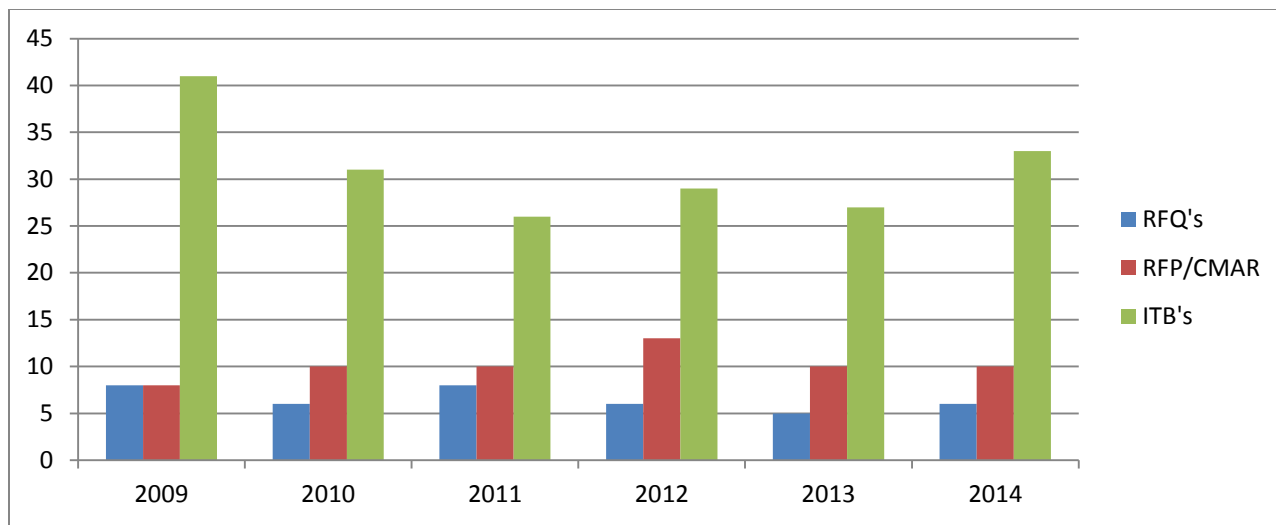
The Purchasing Manager, Contracts Manager and Contracts Coordinator review contracts to ensure a precise and clear scope of work, proper signature authority, proper terms and conditions, a justifiable purchase, funding availability, applicable insurance requirements and contract compliance with City purchasing policies and procedures. Once submitted to the Purchasing Office, contracts should be reviewed by Contracts Manager or Contracts Coordinator for completeness within 8 hours and approved by the Purchasing Manager within two working days of receiving a complete submittal. All standard contracts are processed and approved within 48 hours of receipt of all required documentation. All standard Certificates of Insurance will be obtained and reviewed within 48 hours of receipt.

Additionally, for contracts approved by City Council, the PO should be entered and approved within 24 hours of City Council approval and receiving all required documentation and attachments from the department.

Purchasing manages contracts to ensure that services are performed under a valid contract. Purchasing has developed in conjunction with the City's online bidding software a contract management database, which stores all term contracts for the City. Notifications for term bids are generated by the software to user departments 120 days in advance of any renewal or re-bid being required.

Bid Process: Purchasing provides management and oversight of the entire bidding process. This includes the coordination and preparation of advertising documents, review and posting of applicable bid documents to the on-line bidding portal or coordinating with the required consultant/engineer for posting, management of all questions and answers on every bid to ensure that all Q&A is addressed appropriately, opening of bidding documents, posting of all bid tabs to the Purchasing site for public viewing, coordination of any required evaluations and scheduling of such, review of certificates of insurance for compliance and review and management of any and all required bonds. In addition, Purchasing maintains the CIP ITB bidding documents on SLIC and updates as needed for CIP staff.

Purchasing led RFP's and RFQ's have increased from an average of 3 per year from 2005 to 2008 to an average of 18 per year from 2009 to current. These RFP's and RFQ's require additional time, effort and coordination in regards to coordinating of the evaluation team and score sheets, coordinating of the evaluation meetings and presentation by vendors. ITB's have decreased from an average of 43 between 2005 to 2009, to an average of 28 annually, due largely to the changes in the Local Government Code that raised the limit from \$25,000 to \$50,000 before a municipality had to formally bid.



Purchasing also works closely with the City Attorney's Office in maintaining standard contracts used by staff and manages the routing process for all City contracts. This includes contract review for required documentation, the routing of contracts for appropriate signatures, entering the requisition, processing the purchase order and monitoring the status and performance of contracts.

Contract Routing Process: Purchasing reviews City contracts for compliance with federal, state, and local laws and the City's Purchasing Policies and Procedures.

Purchasing (Purchasing Manager and Contracts Manager) is responsible for final review of all Surety Bonds and bond related issues. This includes, but is not limited to, bid bonds, payment bonds and performance bonds. Purchasing Manager reviews all claims against bonds and notifies proper personnel as necessary.

The Contracts Manager or Contracts Coordinator routes the contracts for final approval, the Buyer enters purchase requisitions once the contract has been executed, and after Purchasing Manager approval, issues purchase orders, and electronically distributes POs to the departments. Purchasing also ensures that change orders are processed when required and that all necessary back-up documents are received.

The Purchasing Manager reviews and approves non-CIP contracts under \$15,000 after verifying that there are sufficient funds in the designated account.

The Purchasing Manager reviews and signs-off on all change orders in order to ensure compliance with federal, state and local laws and the City's Purchasing Policies and Procedures.

Contracts are submitted to purchasing with approvals from the designated individual and a certificate of insurance. A Purchasing Specialist is assigned specifically to evaluate risks associated with each contract and determine what insurance certificates and endorsements are required before a purchase order can be issued. Once all documentation is received, the contract is scanned into Laser Fiche and a purchase order is issued. A copy of the PO and the signed contract are sent to the department via email upon completion.

FY 11		
Up to \$2,999.99	180	30.98%
\$3,000 - \$5,000	73	12.56%
\$5,000.01-\$10,000	78	13.43%
\$10,000.01 - \$15,000	46	7.92%
\$15,000.01 - \$20,000	36	6.20%
\$20,000.01 - \$25,000	24	4.13%
\$25,000.01 - \$30,000	7	1.20%
\$30,000.01 - \$35,000	11	1.89%
\$35,000.01 - \$40,000	8	1.38%
\$40,000.01 - \$45,000	12	2.07%
\$45,000.01 - \$50,000	16	2.75%
Over \$50,000	90	15.49%
	581	100.00%
Under \$25,000	437	75.22%
\$25,000 - \$50,000	54	9.29%
Over \$50,000	90	15.49%
	581	

FY 12		
Up to \$2,999.99	198	30.56%
\$3,000 - \$5,000	75	11.57%
\$5,000.01-\$10,000	92	14.20%
\$10,000.01 - \$15,000	48	7.41%
\$15,000.01 - \$20,000	45	6.94%
\$20,000.01 - \$25,000	26	4.01%
\$25,000.01 - \$30,000	13	2.01%
\$30,000.01 - \$35,000	7	1.08%
\$35,000.01 - \$40,000	11	1.70%
\$40,000.01 - \$45,000	17	2.62%
\$45,000.01 - \$50,000	20	3.09%
Over \$50,000	96	14.81%
	648	100.00%
Under \$25,000	484	74.69%
\$25,000 - \$50,000	68	10.49%
Over \$50,000	96	14.81%
	648	

FY 13		
Up to \$2,999.99	149	24.19%
\$3,000 - \$5,000	74	12.01%
\$5,000.01-\$10,000	114	18.51%
\$10,000.01 - \$15,000	42	6.82%
\$15,000.01 - \$20,000	36	5.84%
\$20,000.01 - \$25,000	34	5.52%
\$25,000.01 - \$30,000	18	2.92%
\$30,000.01 - \$35,000	7	1.14%
\$35,000.01 - \$40,000	19	3.08%
\$40,000.01 - \$45,000	12	1.95%
\$45,000.01 - \$50,000	18	2.92%
Over \$50,000	93	15.10%
	616	100.00%
Under \$25,000	448	72.73%
\$25,000 - \$50,000	75	12.18%
Over \$50,000	93	15.10%
	616	100.01%

FY 14		
Up to \$2,999.99	171	26.89%
\$3,000 - \$5,000	57	8.96%
\$5,000.01-\$10,000	88	13.84%
\$10,000.01 - \$15,000	51	8.02%
\$15,000.01 - \$20,000	47	7.39%
\$20,000.01 - \$25,000	37	5.82%
\$25,000.01 - \$30,000	19	2.99%
\$30,000.01 - \$35,000	11	1.73%
\$35,000.01 - \$40,000	13	2.04%
\$40,000.01 - \$45,000	6	0.94%
\$45,000.01 - \$50,000	26	4.09%
Over \$50,000	110	17.30%
	636	100.00%
Under \$25,000	444	69.81%
\$25,000 - \$50,000	82	12.89%
Over \$50,000	110	17.30%
	636	100.00%

Risk Management: Purchasing performs the Risk Management function in regards to Certificates of Insurance (COI) for all City contracts. Each COI is reviewed for proper levels of coverage pursuant to the City's policies and State Code. COI's are also checked for proper endorsements and dates. If larger issues arise on a COI, the COI and endorsements are reviewed by Purchasing and assigned a "risk rating". Purchasing then forwards the contract and insurance information to Risk Management for review and Risk Management assigns a secondary "risk rating", if both Purchasing and Risk Management are in agreement the contract is sent to the Director for final approval. Purchasing also handles all Bid Bonds, Performance Bonds and Payment Bonds which includes complete review on said bond, verification from surety of valid bond and ensures that performance and payment bonds are in accordance with contract requirements. Purchasing Manager serves as mediator when issues arise regarding performance and/or claims against a bond.

Activity: Requisition and Purchase Order Processing

Purchasing (Purchasing Manager and Buyer) reviews purchase requisitions for compliance with state law and City policy prior to approval and checks for proper use of account numbers and available funding. This includes emergency purchases, single/sole source purchases and blanket PO's.

Purchasing staff verifies that required backup documentation such as three quotes, HUB forms, contracts, and insurance certificates are attached prior to approving the purchase order. The objective is to send signed purchase orders to departments within one business day from the date the purchase requisition was approved by the originating department. Purchase orders are printed, reviewed and approved as needed, daily, and within 24 hours of receiving all required documentation.

Requisitions Processed Annually	
FY 2011	2,419
FY 2012	2,210
FY 2013	1,760
FY 2014	1,729

Activity: P-Card Program Management

Purchasing (Purchasing Specialist and Purchasing Manager) is responsible for administering the P-Card Program.

Purchasing issues P-Cards to approved employees and sets expenditure limits based on the P-Card policy. Purchasing is responsible for maintaining the p-card score sheet which records monthly accuracy rates for all p-card users. Purchasing also reviews usage patterns and makes recommendations to departments for new cards or changes to limits based on policy.

Purchasing audits all P-Card statements on a monthly basis to ensure that all purchases are in compliance with the City's Purchasing Policies and Procedures prior to approving the statements for payment.

All requests for changes in limits or MCC codes are processed within 4 hours assuming proper approvals have been received by user. All statements will be reviewed within 1 week of due date. Users will receive email notification of additional information required within 5 days of statement

submittal. New user training will be scheduled to occur within 1 week from receipt of new card. New card requests will be processed within 4 business hours of receipt of approval document.

	TOTAL STATEMENTS	TOTAL TRANSACTIONS	TOTAL EXPENSE
FY 2012	1,146	6,900	\$1,338,919.17
FY 2013	1,277	8,374	\$1,614,716.66
FY 2014	1,374	9,104	\$1,829,406.06

Service: Surplus/Salvage City Auction Management

The Buyer coordinates with other departments to dispose of obsolete, surplus, salvage, abandoned, and confiscated property through an on-line public auction. Buyer works directly with Purchasing Manager and Public Surplus to resolve any issues and maintain consistency. Auctions will be posted for bidding within 48 hours from receipt from user department once all proper information has been received.

There are approximately 200-300 items auctioned annually. The items are posted for 14 days. If the items have not received any bids within the first 14 days, it will be re-posted once more. Once the items have been posted twice and not sold, the department is responsible for disposing of the items. If the unsold item is IT equipment, the equipment will need to be recycled rather than disposed of.

Once a bidder wins, the payment is processed through public surplus. The individual will then need to coordinate with the department to pick the item up and show proof of purchase by printing the receipt of payment.

Auctions Analysis			
	FY 2012	FY 2013	FY 2014
Total Auctions Posted	361	230	220
Total Funds Received	\$193,668	\$187,400	\$121,500

Service: Training & Education

Purchasing provides training on all aspects of purchasing – General Purchasing, PO Process, Contracting and P-Cards – to all levels of staff. Training is held for p-cards when new City Staff receives a p-card or as monthly audits determine the need. Training is done on other purchasing as needed due to change in legislation or policy. Information is also available through the city’s SLIC page for employees and through the city’s website for residents and vendors.

A vendor fair is also conducted approximately every 18 months or as needed to educate vendors on “how to do business with the city.”

Staff holds customer service and accountability as top priorities. Purchasing is committed to working collaboratively with all departments and vendors and providing training and education on an on-going basis. Training is an intricate part of using and understanding the city's policies and procedures.

Service: Emergency Management/Logistics Section Chief

Pursuant to the authority as provided in the Basic Plan of the Emergency Management Plan of the City of Sugar Land, Resource Management is assigned to the Purchasing Manager. The purpose of this annex is to provide guidance and outline procedures for efficiently obtaining, managing, allocating, and monitoring the use of resources during emergency situations or when such situations appear imminent. The Logistics Section Chief will be responsible for planning, organizing, and carrying out resource management activities during emergencies.

The Purchasing Manager is responsible for developing and maintaining Annex M. The line of succession for the Purchasing Manager is: (1) Purchasing Manager, (2) Contracts Manager, and Contracts Coordinator.

SERVICE LEVEL EXPECTATIONS

Program: PURCHASING	
Service (Activity)	Service Level Expectation
Competitive Purchasing Oversight	All required purchasing approval city agendas will be reviewed within 4 hours of notification from user department.
Contract/Bid Oversight	<ol style="list-style-type: none"> 1. All standard contracts processed and approved within 24 hours of receipt of all required documentation. 2. All City Council approved items processed within 24 hours of receipt of all required documentation. 3. All standard Certificates of Insurance will be obtained and reviewed within 48 hours of receipt. 4. All departments will receive notices of bid expiration of request for renewal 120 days prior to end date of contract. 5. Purchasing will assist all departments with required evaluation procedures, processes, scoring and meetings when required by the RFP or RFQ. 6. Purchasing will coordinate all advertisements, public notices and bid opening documentation and meetings. 7. Purchasing will post all bid tabs the same day as the bid opening. 8. Purchasing Manager will act as mediator in regards to any surety bond related issues.

Requisition and Purchase Order Processing	<ol style="list-style-type: none"> 1. All requisitions/purchase orders processed within 24 hours of receipt of all required documentation. 2. Requests for new users and authority limits will be completed within 4 hours of receiving completed and approved forms.
P-Card Program Management	<ol style="list-style-type: none"> 1. All requests for changes in limits or MCC codes will be processed within 4 hours assuming proper approvals have been received by user. 2. All statements will be reviewed and processed within 1 week of due date. 3. Users will receive email notification of additional information required within 5 days of statement submittal. 4. New user training will be scheduled to occur within 1 week from receipt of new card. 5. New card requests will be processed within 4 business hours of receipt of approval document.
Surplus/Salvage City Auction Management	<ol style="list-style-type: none"> 1. Auctions will be posted for bidding within 48 hours from receipt from user department once all proper information has been received. 2. Purchasing will work with department and Public Surplus to resolve any non-payment issues. 3. Purchasing will coordinate with department any required disposal of equipment. 4. Purchasing will provide on-site assistance, as needed, for departments wishing to dispose of equipment and seeking assistance in the process.
Training & Education	<ol style="list-style-type: none"> 1. Purchasing staff will coordinate and train any new users on P-cards. 2. Purchasing will assist with the purchasing related training for new employees. 3. Purchasing will host a vendor fair approximately 18 months or as needed.
Emergency Management/Logistics Section Chief	<ol style="list-style-type: none"> 1. Provide guidance and outline procedures for efficiently obtaining, managing, allocating, and monitoring the use of resources during emergency situations or when such situations appear imminent. 2. Review annexes M and supply EOC with needed updates. 3. Attend training as needed.

SERVICE LEVEL MEASURES

Program: Purchasing		Expected Result	
Service	Service Level Measure	FY13	FY14
<i>Competitive Purchasing Oversight</i>	All required purchasing approval city agendas will be reviewed within 4 hours of notification from user department.	95	97.5
<i>Contract/Bid Oversight</i>	1. All standard contracts processed and approved within 24 hours of receipt of all required documentation.	95	97.5
	2. All City Council approved items processed within 24 hours of receipt of all required documentation.	95	97.5
	3. All standard Certificates of Insurance will be obtained and reviewed within 24 hours of receipt.	90	95
	4. All departments will receive notices of bid expiration or request for renewal on term contracts 120 days prior to end date of contract.	90	97.5
	5. Purchasing will assist all departments with required evaluation procedures, processes, scoring and meetings when required by the RFP or RFQ.	100	100
	6. Purchasing will coordinate all bid related advertisements, public notices and bid opening documentation and meetings.	100	100
	7. Purchasing will post all bid tabs the same day as the bid opening	95	95
	8. Purchasing Manager will act as mediator in regards to any surety bond related issues.	90	90
<i>Requisition and Purchase Order Processing</i>	1. All requisitions/purchase orders processed within 24 hours of receipt of all required documentation.	95	97.5
	2. Requests for new users and authority limits will be completed within 4 hours of receiving completed and approved forms.	95	97.5
<i>P-Card Program Management</i>	1. All requests for changes in limits or MCC codes will be processed within 4 hours assuming proper approvals have been received by user.	95	95
	2. All statements will be reviewed and processed within 1 week of due date.	85	90
	3. Users will receive email notification of additional information required within 2 days of statement submittal.	85	90
	4. New user training will be scheduled to occur within 1 week from receipt of new card.	95	95
	5. New card requests will be processed within 4 business hours of receipt of approval document.	95	95
<i>Surplus/Salvage City Auction Management</i>	1. Auctions will be posted for bidding within 48 hours from receipt from user department once all proper information has been received.	90	95
	2. Purchasing will work with department and Public Surplus to resolve any non-payment issues.	100	100
	3. Purchasing will provide on-site assistance, as needed, for departments wishing to dispose of equipment and seeking assistance in the process.	95	95
	4. Purchasing will coordinate with department any required disposal of equipment.	95	95